



GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service
United States Department of Agriculture

DECEMBER 21, 1998

To Our Readers:

We hope that you are finding the *Grain Transportation Report* to be helpful and informative. The report has gone through many changes over time and we hope that the revised format continues to be useful to your business or simply to your understanding of grain transportation. We welcome any suggestions for its improvement.

It has been an interesting year for agriculture and transportation. Weather patterns in some parts of the country resulted in decreased production for some while boosting output for others. An abundant fall harvest, along with abundant stocks on the world market and struggling foreign economies, resulted in a drop in grain prices. According to some reports, it was the worst drop in 30 years. The inability for the U.S. farmer to sell grain at anticipated prices resulted in substantial storage problems, although not to the degree expected. Nonetheless, much grain was stored on the ground, and exports were slow. A \$6 billion Government relief package approved by Congress helped to alleviate some of the financial difficulties faced by producers.

U.S. agriculture continues to lead the world in production, along with having the world's most efficient transportation system. The U.S. is fortunate to possess an extensive railroad network effectively reaching all major markets and ports; a competitive trucking system reaching all production areas and markets via well-maintained rural roads and highways; an ideal river system, transporting much of the Nation's grain into port areas for export; and an extensive and efficient system of ports and port facilities, helping to move grain quickly and efficiently. Although these competitive advantages are often taken for granted by U.S. producers and consumers, they, along with an efficient farming sector, allow the United States to remain at the forefront of world agriculture. However, these competitive advantages come at a price. They need to be maintained and improved if agriculture is to remain the backbone of the U.S. economy.

Finally, we would like to take an opportunity to thank the many industry and Government sources who provide the information and data included in the report. Much information is provided on a voluntary basis and is integral to allowing everyone, from the experienced grain merchandiser to a student of the trade, the opportunity to visualize and understand the interaction between agriculture and transportation.

In closing, please accept our sincerest wishes for a happy holiday season and a healthy and prosperous new year.

Sincerely,


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Tel: 202-720-8264

Note: In view of the holiday, the next *Grain Transportation Report* will be published on January 4, 1999. Thank you.

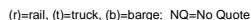
This report is prepared by Karl Hacker and Karla Martin, Agricultural Economists, Transportation & Marketing, Agricultural Marketing Service, USDA (202) 690-1304. Report design by Kimberly Vachal, formerly of the Upper Great Plains Transportation Institute, North Dakota State University. You can retrieve this document from our Automatic Fax System by using the handset on your fax machine and dialing (202) 690-1707. This report can be found on the Internet at www.ams.usda.gov/tmd/grain.htm. E-mail comments to Nick_Marathon@USDA.gov.

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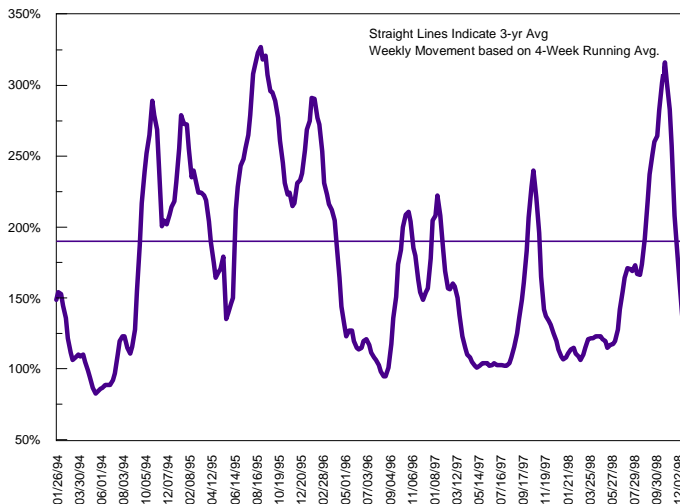
				Week Ago	Year Ago
			12/18/98	12/14/98	12/19/97
Kansas City	Wht	Mar	3.1575	3.1650	3.4100
Minneapolis	Wht	Mar	3.5550	3.5825	3.7350
Minneapolis	Dur	Dec	3.9900	4.0400	n.a.
Chicago	Wht	Mar	2.7700	2.7600	3.3375
Chicago	Corn	Mar	2.1925	2.2360	2.6725
Chicago	Sybn	Jan	5.4725	5.5225	6.8200



Inland Bids: Ord. HRW, 14% HRS, #1 SRW, #1 DUR, #1 SWW, #2 Y Corn, #1 Y Soybeans
Export Bids: 12% HRW, 14% HRS, #2 SRW, #2 DUR, #2 SWW, #2 Y Corn, #1 Y Soybeans

Sources...U.S. Inland: All (except ND) - *Market News Report*, AMS, USDA (www.usda.ams.gov)
ND - *Friday Local Cash Grain Prices*, AgWeek, Grand Forks, ND
U.S. Export: Corn & Soybean - *Export Grain Bids*, AMS, USDA
Wheat Bids - *Weekly Wheat Report*, U.S. Wheat Associates, Washington, D.C.
Canada: Bids in CAN\$, Canadian Wheat Board, Winnipeg (www.cwb.ca)

Index - Percent of Tariff Rate



The chart displays the average cost per car for three different trading strategies over a 24-month period. The y-axis represents the average cost in dollars per car, ranging from -\$100 to \$300. The x-axis shows the delivery month and year. The legend indicates that BNSF-SWAP is represented by green bars with a dotted pattern, CP-GEEP by solid red bars, and UP-POOL by white bars with a black outline. The data shows that BNSF-SWAP generally has the highest average cost, peaking at over \$200 in late 1997 and early 1998. CP-GEEP and UP-POOL show more moderate costs, with CP-GEEP often being the lowest, especially in the late 1997 and early 1998 period. All three strategies show a significant drop in cost (becoming negative) in early 1998, with BNSF-SWAP reaching its lowest point of approximately -\$150 in April 1998.

Delivery Month-Year	BNSF-SWAP (\$/Car)	CP-GEEP (\$/Car)	UP-POOL (\$/Car)
Jun-97	-60	-60	-60
Jul-97	-10	-50	-50
Aug-97	10	-10	10
Sep-97	40	80	100
Oct-97	170	150	200
Nov-97	180	120	230
Dec-97	130	90	220
Jan-98	70	50	140
Feb-98	-10	-10	70
Mar-98	-90	-40	10
Apr-98	-150	-50	-10
May-98	-180	-40	-10
Jun-98	-40	-30	-10
Jul-98	50	60	100
Aug-98	120	100	150
Sep-98	160	120	190
Oct-98	110	90	140
Nov-98	40	30	60
Dec-98	0	0	20
Jan-99	-20	0	10
Feb-99	-30	0	10
Mar-99	-40	0	10
Apr-99	-30	0	10
May-99	-10	0	10
Jun-99	10	0	10

See the Grain Trax page at www.ugpti.org for more graphs of rail premiums.

Rail Car 'Auction' Offerings				
Delivery for:	Jan-99		Mar-99	
	<u>Offered</u>	<u>% Sold</u>	<u>Offered</u>	<u>% Sold</u>
BNSF-COT	5,303	55%	5,764	6%
UP-GCAS	5,000	18%	5,000	10%
Source: Transportation & Marketing /AMS/USDA; www.bnsf.com; www.uprr.com				

Secondary Rail Car Market

Average Premium/Discount to Tariff, \$/Car - Last Week

		Delivery Period		
		Jan-99	Feb-99	Mar-99
BNSF-COT	no offer	\$0	\$(31)	\$(32)
CP-GEEP	\$1	\$(1)	\$(1)	\$(2)
UP-Pool	\$1	\$(1)	\$(4)	\$(4)

Source: T&M/AMS/USDA. Data from Atwood/ConAgra., Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.;

GF=Guaranteed Freight, GEEP=Guaranteed Eqpt. Exchange, Pool=Guaranteed Pool

note... bids listed are market INDICATORS only & are NOT guaranteed prices, missing value=No Bid Quoted

Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	Jan-99	Mar-99	Apr-99
COT/N. Grain	no offer	no offer	no offer
COT/S. Grain	no offer	no offer	no offer
GCAS/Region 2	\$3	no bid	no bid
GCAS/Region 4	\$2	no bid	no bid

Source: T&M/AMS/USDA. Data from www.bnsf.com, www.uprr.com,
(COT=Certificate of Transportation; GCAS=Grain Car Allocation System)**Southbound Barge Freight Nominal Values***

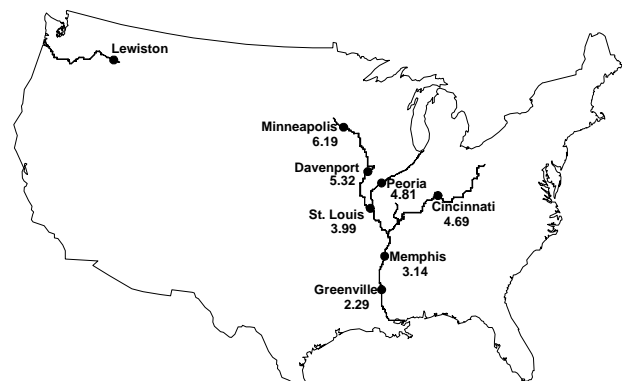
Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended	River/Region	Contract Period	Rate
12/18/98	St. Paul-Savage	May/Jun/Jly	165
	St Louis	wk of 12/27	100
		Jan./Feb.	95
	Illinois	twk	130
	Mid Miss	June	135
	Lower Ohio	Jan./Feb.	105

Summary Of Daily Barge Trades Reported To St. Louis Merchants Exchange.

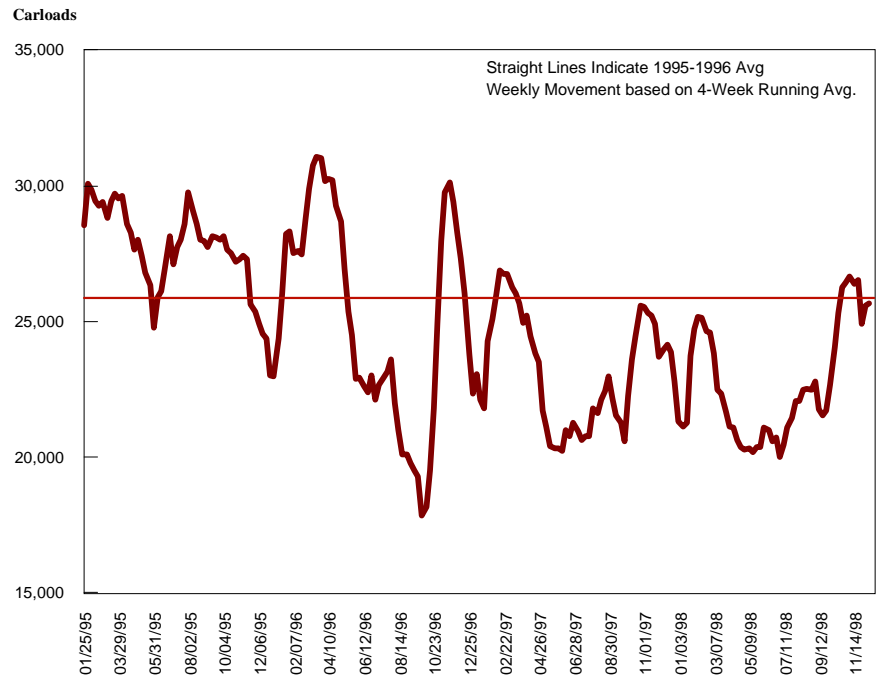
twk=this week
nwkw=next week**Southbound Barge Freight Spot Rates**

	12/16/98	12/9/98	Jan. '98	Mar. '98
Twin Cities	nq	nq	nq	195
Mid-Mississippi	nq	nq	nq	154
Illinois River	126	126	160	143
St. Louis-Cairo	98	101	107	116
Lower Ohio	103	110	115	124
Cairo-Memphis	95	100	101	112

Source: Transportation & Marketing /AMS/USDA
nq- no quote**Barge Benchmark Tariff Rates
Est. 1976 - 'Tariff No. 7'**

Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
11/28/98	21,048
12/05/98	28,731
12/12/98	26,162
Year to Date - 1998	1,122,208
Year to Date - 1997	1,137,945
Total 1997	1,199,995
Total 1996	1,235,123
Source: American Association of Railroads	



Class I Rail Carrier Grain Car Bulletin

Carloads

	East				West			Canada	
	Conrail	CSXT	IC	NS	BNSF	KCS	UP	CN	CP
12/12/98	742	2,339	1,517	2,379	10,193	608	8,384	2,487	4,361
This Week Last Year	774	3,411	1,538	3,054	9,392	881	6,876	3,583	5,248
1998 YTD	38,548	119,737	73,778	124,974	408,642	32,653	323,876	108,740	206,895
1997 YTD	28,221	110,677	76,950	117,241	404,752	32,671	360,012	163,123	258,454
1996 Total	31,733	111,509	48,695	131,568	432,687	30,009	439,865	129,714	181,387
1995 Total	37,851	133,755	61,612	139,043	410,274	34,393	447,786		

Source: American Association of Railroads

Tariff Rail Rates for Unit Train Shipments

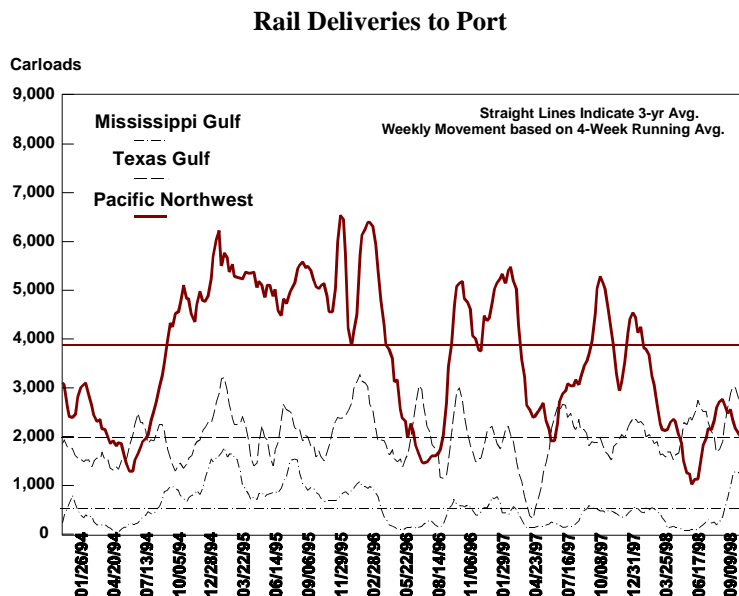
December 1998

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
11/01/98	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$18.60	\$0.62
11/01/98	43521	Wheat	Minneapolis, MN	Portland, OR	\$4,027	\$36.54	\$1.21
11/01/98	46540	Wheat	Kansas City, MO	Houston, TX	\$1,650	\$14.97	\$0.50
11/01/98	43586	Wheat	Kansas City, MO	Portland, OR	\$4,012	\$36.41	\$1.20
11/01/98	43581	Wheat	Omaha, NE	Portland, OR	\$3,905	\$35.44	\$1.17
11/01/98	31040	Corn	Minneapolis, MN	Portland, OR	\$2,865	\$22.87	\$0.80
11/01/98	31035	Corn	Kansas City, MO	Portland, OR	\$3,100	\$24.74	\$0.87
11/01/98	31040	Corn	Omaha, NE	Portland, OR	\$2,485	\$19.83	\$0.70
11/01/98	61180	Soybean	Minneapolis, MN	Portland, OR	\$3,330	\$30.22	\$1.00
11/01/98	61180	Soybean	Omaha, NE	Portland, OR	\$3,030	\$27.50	\$0.91
05/01/98	61180	Soybean	Omaha, NE	Portland, OR	\$2,780	\$25.23	\$0.83

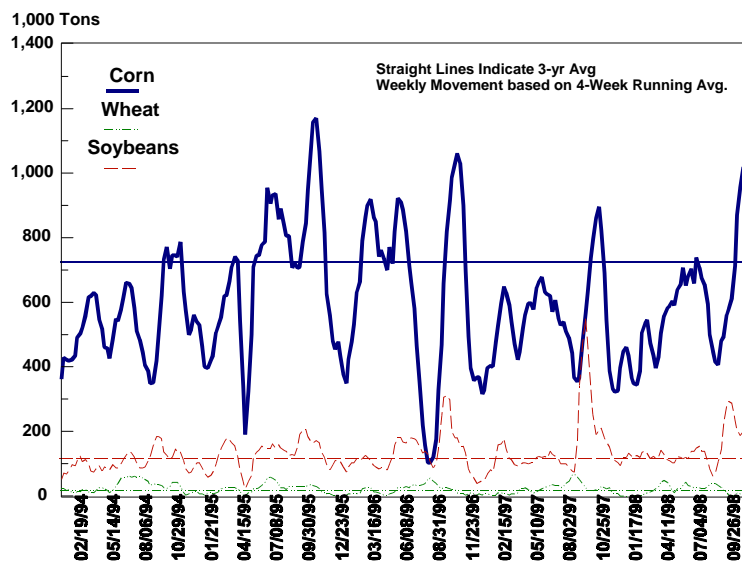
Source: www.bnsf.com

Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

Rail Deliveries to Port Carloads				
	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
11/25/98	1,041	2,288	2,339	187
12/02/98	462	2,216	2,434	72
12/09/98	669	2,689	2,033	466
YTD 1998	21,830	107,338	124,782	11,190
YTD 1997	18,711	87,582	185,456	8,356
Total 1997	20,152	93,265	195,953	9,147
Total 1996	25,899	113,804	199,709	11,304
Source: Transportation & Marketing/AMS/USDA				



Barge Movements - Locks 27



Barge Grain Movements

for week ending 12/12/98

	Corn	Wht	Sybn	Total
	1,000 Tons			
Mississippi River				
Rock Island, IL (L15)	134	0	15	150
Winfield, MO (L25)	506	0	166	673
Alton, IL (L26)	1,013	2	240	1,255
Granite City, IL (L27)	1,035	6	240	1,281
Illinois River (L8)	457	0	68	525
Ohio (L52)	38	0	22	119
Arkansas (L1)	0	21	3	24
1998 YTD	29,703	2,374	8,371	43,406
1997 YTD	28,817	2,631	9,226	43,896
Total 1997	29,685	2,689	9,584	45,315
Total 1996	34,210	2,348	8,297	48,963

Miss YTD: Calendar year totals include Miss/27,
Ohio/52 and Ark/1.

Source: U.S. Army Corp of Engineers

U.S. Export Balances* (1,000 Metric Tons)

	<i>HRW</i>	<i>SRW</i>	<i>HRS</i>	<u>Wheat</u> <i>SWW</i>	<i>DUR</i>	<i>All</i>	<u>Corn</u>	<u>Soybean</u>	<u>Total</u>
<u>Unshipped Exports-Crop Year</u>									
12/10/98	1,401	245	1,059	650	206	3,559	8,479	4,471	16,509
This Week Year Ago	1,535	601	929	764	174	4,003	6,921	5,938	16,862
<u>Cumulative Exports-Crop Year</u>									
98/99 YTD	5,998	1,163	3,631	3,359	465	14,616	12,573	8,400	35,589
97/98 YTD	5,554	3,319	3,616	3,188	829	16,507	10,836	11,021	38,364
96/97 Total	2,595	1,643	1,432	1,240	361	7,271	43,991	24,273	75,535
95/96 Total	9,867	6,792	8,918	6,443	897	32,917	55,769	23,550	112,236

Source: Foreign Agricultural Service YTD-Year-to-Date (fas.usda.gov) Crop Year: Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31

Select U.S. Port Regions - Grain Inspections for Export - 1,000 Metric Tons

	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>		
	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>
12/17/98	283	56	17	98	1,074	320	192	6	77
1998 YTD **	10,355	4,329	643	4,915	29,946	14,071	7,044	555	1,356
1997 YTD **	10,936	9,728	1,755	6,268	27,747	18,120	4,977	996	1,014
% of Last Year	95%	44%	37%	78%	108%	78%	142%	56%	134%
1997 Total	11,156	9,728	1,764	6,349	28,183	18,658	5,106	1,001	1,014

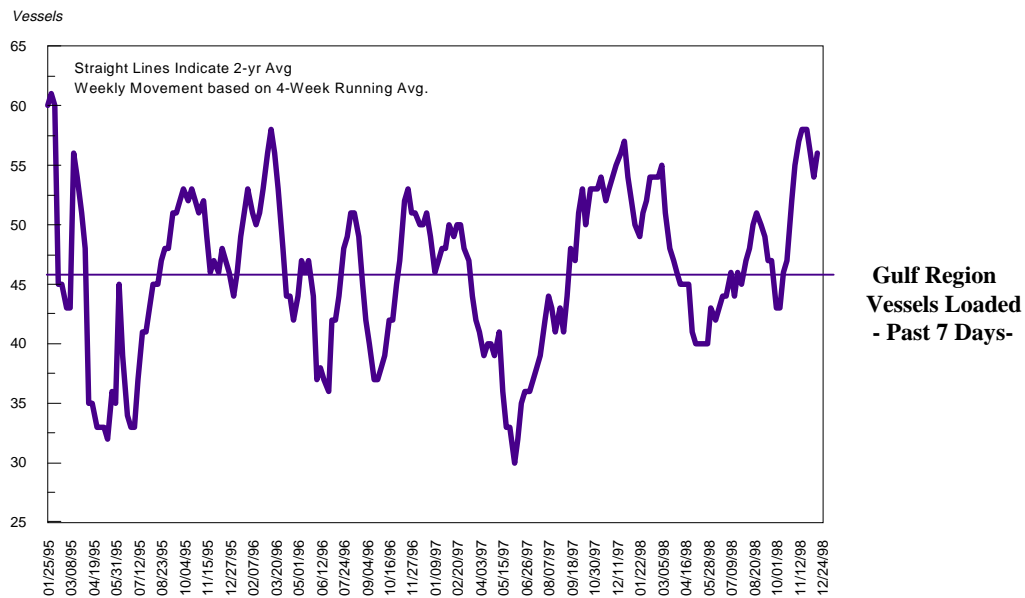
Source: Federal Grain Inspection Service *Year Ago-This Week a Year Ago ** YTD-Year-to-Date

Select Canadian Ports - Export Inspections

1,000 Metric Tons, Crop Year

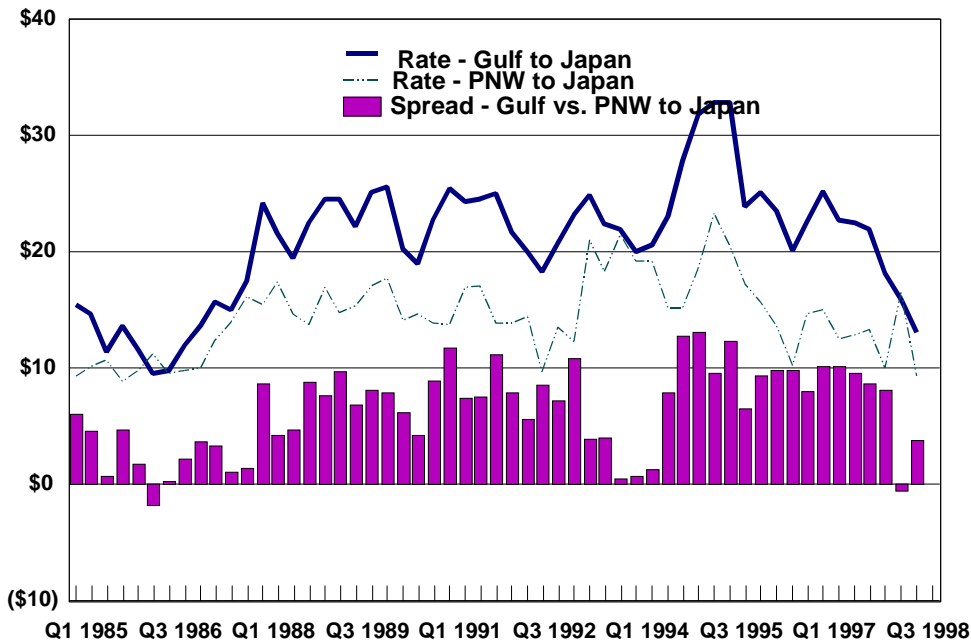
	<u>Wheat</u>	<u>Durum</u>	<u>Barley</u>
Week Ended: 12/17/98			
Vancouver	1,855	278	103
Prince Rupert	498	0	0
Prairie Direct	242	171	60
Thunder Bay	295	72	73
St. Lawrence	824	655	0
1998 YTD Exports	4,022	1,185	235
1997 YTD Exports	7,290	1,696	1,075
% of Last Year	55%	70%	22%

Source: Canadian Grains Commission *Year Ago-This Week a Year Ago ** YTD-Year-to-Date Crop Year 8/1-7/31



Port Region Ocean Grain Vessels									
	Gulf			Pacific Northwest			Vancouver, B.C.		
		Loaded	Due Next		Loaded	Due Next		Loaded	Due Next
	<u>In Port</u>	<u>7-Days</u>	<u>10-Days</u>	<u>In Port</u>	<u>7-Days</u>	<u>10-Days</u>	<u>In Port</u>	<u>7-Days</u>	<u>10-Days</u>
12/10/98	43	53	80	12			5	11	4
12/17/98	44	64	71	10			12	3	0
1997 Range	(11..52)	(25..61)	(31..89)						
1996 Range	(17..46)	(38..61)	(27..88)						
1997 Avg	33	45	58						
1996 Avg	38	46	62						
1995 Avg	31	46	61						
Source: Transportation & Marketing /AMS/ USDA									

US\$/Metric Ton

**Quarterly Ocean Freight Rates**

Weighted Average Rates & Vessel Size, U.S. Dollars/Metric Ton - Basis

	1998 3 rd Qtr	1997 3 rd Qtr	% Change		1998 3 rd Qtr	1997 3 rd Qtr	% Change
Gulf to				Pacific NW to			
Japan	\$13.17	\$22.55	-42%	Japan	\$9.35	\$12.92	-28%
Mexico	\$16.33	\$14.47	13%	Red Sea/ Arabian Sea		\$19.23	
Venezuela	\$10.30	\$13.78	-25%				
N. Europe	\$8.85	\$13.23	-33%	Argentina to			
N. Africa	\$13.87	\$15.44	-10%	N. Europe	\$12.15	\$14.83	-18%
				Japan	\$16.21	\$25.56	-37%

Source: Transportation & Marketing/AMS/USDA

Ocean Freight Rates

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Albany (U.S.)	Morocco	Corn	Spot	25,000	\$11.00
Gulf	Lisbon/Hamburg	Grains	December	33,000-55,000	\$7.87-12.50
Gulf	Rotterdam	Grains	December	55,000	\$8.50
Gulf	Egypt (Med.)	Heavy Grain	December	55,000	\$8.50
Gulf	Japan	Heavy Grain	Dec./Jan.	30,000-54,000	\$12.30-13.75
Gulf	Dominican Republic	Grains	December	23,200	\$10.75
Paranagua	Lisbon/Hamburg	Grains	Spot	34,000	\$13.00
Hamburg	Saudi (Red Sea)	Barley	Prompt	50,000	\$9.50
Yugoslavia	Japan	Heavy Grain	December	40,000	\$14.50
India	Russia (Black Sea)	Rice (Bagged)	January	10,000	\$32.50

Source: Maritime Research Inc.